†[مولانا عبیداللہ خاں اعظمی مجدم-
مداخلت...]...

मौलाना ओबैदुल्ला खान आजमी : मैडम, ... (व्यवधान) ...

THE DEPUTY CHAIRMAN : Nothing is going on record without my permission (*Interruptions*) Question No. 363.

Production of Steel in the Country

*363. SHRI IQBAL SINGH : Will the Minister of STEEL be pleased to state :

(a) whether Government have formulated co-ordinated policy initiatives to encourage steel industry to grow at a rapid pace and achieve a quantum jump in exports ;

(b) if so, the details thereof and if not, the reasons therefor ;

(c) whether it is a fact that there is a decline in the production of steel in the country as compared to U.S., Japan, Germany, U.K., South Korea and Brazil ;

(d) if so, the details thereof and the reasons therefor ; and

(e) what steps are being taken by Government to increase the production of steel in the country ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) and (b) Government has taken a number of steps to increase the production of steel in the country. Modernisation and expansion of public sector steel plants has been taken up. Government have also adopted various policy measures to facilitate and encourage the creation of additional steel production capacities in the private sector. These include—

(i) removal of iron and steel from the list of industries reserved for the public sector ;

(ii) exemption of iron and steel industry from the provisions of compulsory licensing ;

(iii) inclusion of iron & steel in the list of high priority industry for purposes of foreign investment ;

(iv) de-regulation of pricing and distribution of iron and steel ;

(v) reduction of duty on import of capital goods ;

(vi) liberalisation of import and export policy.

Export of all items of iron and steel is now freely allowed. Liberalisation of trade policy provisions, including the provisions for duty free import of raw materials for export, convertibility of the rupee on trade and current account, etc. have helped to achieve a quantum jump in export of pig iron and steel, from 3.87 lakh tonnes valued at Rs. 283 crores in 1991-92 to 22.28 lakh tonnes valued at Rs. 1688 crores in 1993-94 (provisional).

(c) and (d) The production of crude steel in U.S.A., Japan, Germany, U.K., South Korea and Brazil in 1980, 1990 and 1993 was as under :

(Production in Million Tonnes*)

Countries	1980	1990	1993 (Prov.)
U.S.A. . .	101.5	88.9	87.0
Japan . .	111.4	110.3	99.6
Germany . .	43.8	38.4	37.6
U.K. .	11.3	17.8	16.7
South Korea .	8.6	23.1	33.0
Brazil . .	15.3	20.6	25.1
India . .	1.5	15.0	18.5

*Source : International Iron & Steel Institute Brussels.

The production of steel in developed countries like U.S.A., Japan and Germany has declined while the production in developing countries like South Korea, Brazil and India has increased. Share of the developing countries in World steel production has been increasing.

(e) Steps taken by Government to increase production of steel in the country are indicated under parts (a) and (b) above.

श्री इकबाल सिंह : मैडम, जो मंत्री जी का एक्सपोर्ट के बारे में और प्रोडक्शन के बारे में उत्तर है, उससे सरकार बधाई की पात्र है । मैं मंत्री जी से यह जानना चाहता हूं कि हमारे देश में जितने भी स्टील प्लांट हैं, चाहे वह प्राइवेट सेक्टर के हैं या पब्लिक सेक्टर के, उन स्टील प्लांट में जो हम इम्पोर्ट करते हैं, जापान से, जर्मनी से, ब्राजील से, साऊथ कोरिया से, यह सोफिस्टिकेटेड स्टील, जो कि ऐसा स्टील है सी० आर० जी० ओ०, सी० आर० एन० ओ०, इ० डी० डी०, एच० आर० कोल०, जब हम इसे इम्पोर्ट करते है तो इससे हमारी फॉरेन करेन्सी जाती है, हमारे यहां बहुत ज्यादा इस पर खर्चा होता है । तो मैं मंत्री जी से जानना चाहता हूं कि यह कब तक हमारे इस देश में नई

†[ ] Transliteration in Arabic Script.

टैक्नोलोजी, नया मशीनीकरण होगा और ऐसी मशीनें लाई जाएंगी, जिससे हम नया स्टील बना सकेंगे ताकि हम इम्पोर्ट न कर सकें ? यह बड़ी अच्छी बात है, मंत्री जी ने जैसा बताया कि एक्सपोर्ट 1688 करोड़ का हुआ और इसके साथ-साथ प्रोडक्शन भी बहुत बढ़ा, लेकिन हम इम्पोर्ट करना कब बंद करेंगे ? इसके बारे में मैं जानना चाहता हूं ।

SHRI SONTOSH MOHAN DEV: Madam, I fully appreciate the feeling of the Hon. Member. It is the object of the Government that gradually we should reduce the import and, to achieve it, we have to make both our integrated steel plants and the private sector to have more improvement in quality, and that is to be achieved through research and development as also by modernizing our steel plants. We have taken in hand modernization of Bokaro and Rourkela, and both are in a very advanced stage. Once we complete this modernization, and with more steel plants coming in the private sector with new equipment and machinery, we will be able to reduce the quantum of import. As a matter of fact, according to the records we have, the import has come down this year compared to last year. I am also happy to inform that the imported type of products which the Hon. Member has mentioned are now gradually reducing.

श्री इकबाल सिंह : मैडम, मैं मंत्री जी से यह जानना चाहता हूं कि 1993-94 में आपने स्टील का कितना प्रोडक्शन किया और मैं यह भी जानना चाहता हूं कि ये स्टील जो हम एक्सपोर्ट करते हैं, क्या हम अपने देश की जरूरतों की कटौती तो नहीं करते क्योंकि देश में अब जो विकास हो रहा है वह स्टील की वजह से बहुत ज्यादा हो रहा है । तो क्या कोई कटौती होती है ताकि हम एक्सपोर्ट करते जाएं और अपने देश को कम दे रहे हों, इसके बारे में मैं जानना चाहता हूं ।

SHRI SONTOSH MOHAN DEV: Madam, according to Government policy, no product whatsoever can be exported at the cost of the domestic market. This year we have produced, in total, 15.13 million tonnes—7.13 in SAIL, 0.67 in VSP, 0.97 in TISCO and 6.36 in the secondary steel sector, that is, the private sector. We never allow any export at the cost of the domestic market. There is recession in the domestic market and because of that we have been able to cater to the international market, and we have also been able to increase our production. So, nothing has been exported outside the country at the expense of the domestic market.

SHRI P. UPENDRA: Madam, the Minister has given the figures of increase in production of steel in the country, but the fact is that per capita production of steel and consumption of steel in this country are very low as compared to countries like Korea, China or Japan. One of the important sectors which is contributing to the production of steel is the secondary steel sector. I would like to know from the Hon. Minister how many mini steel plants have been closed down during the last one year because of the policy of the Government in regard to the duty on import of scrap and electricity charges raised by the State Governments and also the recent reduction in import duty on steel. These are counter productive. They are hurting the Indian steel industry. Many people are losing their jobs. Thousands of people have lost their jobs and many steel plants have been closed down. I would like to know from the Minister what steps his Ministry is taking to co-ordinate with the Finance Ministry to remove these bottlenecks.

SHRI SONTOSH MOHAN DEV: Madam, in our country we have 180 mini steel plants. Out of these, 85 mini steel plants have been closed down majority of which for the last two to three years, and it has created unemployment of about 18,000 people. As the Hon. Member has very rightly pointed out, the reason is the power costs having gone up in all the States. Apart from that, the scrap price in the international market has also gone up. The customs duty on scrap has been reduced from 12.5 per cent to 10 per cent. Even then the production is not becoming competitive. We have got memoranda from all over the country. We have taken it up with the Finance Ministry, and we expect that something will come in due course from the Finance Ministry. This is one issue on which we are in constant touch with the Finance. We have ventilated the feelings of the mini steel plants. I am sure, something will come out to redress their grievances.

I have also written to all the State Governments to reduce the power cost for mini steel plants because it is a job-oriented industry. The State Government should also take a view on this. I expect that something will come out. When I went to Punjab, I discussed it with the Punjab Chief Minister. They said that they were considering it. We fully appreciate the difficulties of the mini steel plants, and we are trying to do something to solve their problem ... (*Interruptions*)

श्री चतुरानन मिश्र : उपसभापति महोदया, मैं आपके माध्यम से कहना चाहूंगा कि हमारे यहां जो स्टील का प्राइस है उस का इनपुट कास्ट बहुत ज्यादा है । आप कितना ही माडर्नाइजेशन कीजिएगा हमारा, input cost compared to that in developed countries is much higher. Secondly, the

energy cost is much higher not only because of the rate of energy but also because of the higher consumption that you are doing. Thirdly, the incidence of taxation is very high. Fourthly, the interest rate is very high. It is about 15 per cent here, whereas in Japan and South Korea it is less than 6 per cent. So, I want the Minister to give us the particulars of these aspects, the input cost, the energy consumption, the incidence of taxation and the interest rate and compare them with all other country in the world so that we can know whether it is total mismanagement by you or it is a fault of others because the labour cost is only one-fifth of what it is in the USA or in Japan. Despite being in such an advantageous position, you are mismanaging the whole thing. I do not mean it is personally you. The Government is doing all these things. So, please explain these five points.

SHRI SONTOSH MOHAN DEV: With all respect to the Hon. Member, he will not do justice if he says that we are doing mismanagement because this year also we have made a profit of Rs. 340 crores. This is one of the best public sector undertakings in the country.

The Hon. Member is very much correct that the input cost in our country are high. Probably you are aware of the fact that some of the input costs are beyond our control.

SHRI CHATURANAN MISHRA: When I said "mismanagement", I meant mismanagement by the Government. I did not mean mismanagement by the steel plant ... (*Interruptions*)

THE DEPUTY CHAIRMAN: Let him reply. He has not completed it.

हो सकता है वह आपके सवाल का जवाब आपकी मर्जी के मुताबिक दें ।

SHRI SONTOSH MOHAN DEV: The railway freight is one of the input costs. The power price is another input cost. There is cost involved in the form of tax. The Hon. Members have rightly mentioned that in all the States where public sector undertakings are there, we are the holy cow for the State Governments to get revenue. They are taking it in the form of some tax or other. These are the input costs. Many things are beyond our control.

The Hon. Member will be pleased to know that this year in the consumption of coal, water, electricity, crude, steel etc. we have been able to save more than Rs. 85 crores. That consciousness has been developed among the workers, and they have been able to meet the situation.

As regards the rate of interest, this year the rate of interest has been reduced by 1 per cent. Not only that, but on the capital goods which are coming in for modernisation or for new steel plants, the Government has reduced the customs duty. It is also a fact that the customs duty for import of products coming to compete with our domestic products has also been reduced. The idea of the Government is that we should be competitive. The Hon. Member is also right when he says that our labour cost is one of the cheapest in the world. There is no doubt about it. But labour is also a power for us. It is not a burden. That power has given strength to the Steel Ministry. I fully appreciate what the Hon. Member says about the cost of production. But we are not higher than the other countries. As he rightly says, the main burden for us is the rate of interest for the finances we have had. In the U.S. and the U.K., it is four per cent; in Japan it is six per cent. We have to give 14 per cent. But, of late, for the last three years, we are not taking any budgetary support. We are having our investment cost met from our own resources and market borrowing. We have gone to the Cabinet for reconstruction of our capital base so that we can make it more effective and thereby, I think, we will be able to solve gradually many of the problems mentioned by the Hon. Member. (*Interruptions*).

SHRI CHATURANAN MISHRA: I wanted comparative figures.

SHRI SONTOSH MOHAN DEV: Madam, I do not have the figures with me now. I can send them to him.

THE DEPUTY CHAIRMAN: Now, I have three or four names. But we have had only three questions. I think we should move on to Question No. 364. Question No. 364.

अनुसूचित जातियों और अनुसूचित जनजातियों के उम्मीदवारों को छात्रवृत्तियां

* 364. **श्रीमती चन्द्रिका अभिनन्दन जैन**: क्या कल्याण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने अनुसूचित जातियों और अनुसूचित जनजातियों के उम्मीदवारों को व्यावसायिक पायलट लाइसेंस प्राप्त करने के लिए प्रशिक्षण हेतु छात्रवृत्तियां देने का कोई निर्णय लिया है;

(ख) यदि हां, तो तत्संबंधी ब्यौरा क्या है; और

(ग) इस योजना का मुख्य उद्देश्य क्या है; और प्रत्येक वर्ष कितनी छात्रवृत्तियां प्रदान की जाएंगी ?

THE MINISTER OF STATE IN THE MINISTRY OF WELFARE (SHRI K. V. THANGKA BALU): (a) Yes, Sir.

(b) A Statement is laid on the table of the House (*See* below).